***FAQs On Goods & Services Tax***

***2. Levy of and Exemption from Tax***

Q 13. What is the threshold for opting to pay tax under the composition scheme?

Ans. The threshold for composition scheme is Rs. 50 Lakhs of aggregate turnover in financial year.

Q 14. How to compute ‘aggregate turnover’ to determine eligibility for composition scheme?

Ans. The methodology to compute aggregate turnover is given in Section 2(6). Accordingly, ‘aggregate turnover’ means ‘Value of all supplies (taxable and non-taxable supplies + Exempt supplies + Exports) and it excludes taxes levied under CGST Act, SGST Act and IGST Act, Value of inward supplies + Value of supplies taxable under reverse charge of a person having the same PAN.

Q 15. What are the penal consequences if a taxable person violates the condition and is not eligible for payment of tax under the Composition scheme?

Ans. Taxable person who was not eligible for the composition scheme would be liable to pay tax, interest and in addition he shall also be liable to a penalty equivalent to the amount of tax payable - Section 8 (3) of the MGL.

Q 16. What is the minimum rate of tax prescribed for composition scheme?

Ans. 1%

Q 17. When exemption from whole of tax collected on goods and/or services has been granted unconditionally, can taxable person pay tax?

Ans. No, the taxable person providing such goods or services shall not collect the tax on such goods or services.

*Source:http://cbec.gov.in/resources//htdocscbec/deptt\_offcr/faqongst.pdf;jsessionid=825C7C194F0FC0652FFE5A809FE81F69*

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